

Director of Central Intelligence

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COPY NO. 12

NATIONAL SECURITY COUNCIL

STATUS OF PROJECTS

as of

September 12, 1949

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NSC review completed.

WARNING

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NATIONAL SECURITY COUNCIL

STATUS OF PROJECTS

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1. COMPLETED PROJECTS

(August 31, 1949 - September 12, 1949)

(None)

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2. PROJECTS UNDER CONSIDERATION BY THE NSC

UNITED STATES POLICY TOWARD ISRAEL AND THE ARAB STATES
(NSC 47, NSC 47/1)

In accord with the suggestion of the Secretary of Defense, the Secretary of State prepared for Council consideration a report (NSC 47/1) which re-examines and develops an up-to-date policy on the position of the United States with respect to Israel and the Arab States in light of developments over the course of the last twelve months and in view of the conclusions reached by the JCS in NSC 47. Scheduled for consideration as item 1 on the agenda for the 45th Council Meeting, September 15.

TRIPARTITE CONFERENCE OF MINISTERS FOR THE UNITED STATES, GREAT BRITAIN AND CANADA

Discussion of the results of the subject conference is scheduled as item 2 on the agenda for the 45th Council Meeting, September 15.

ORGANIZATION UNDER THE ATLANTIC PACT
(NSC Action No. 211)

Discussion of the above subject in the light of an oral report by the Secretary of State on the U. S. position at the forthcoming conference to inaugurate the North Atlantic Council, is scheduled as item 3 on the agenda for the 45th NSC Meeting, September 15.

ANTARCTICA
(NSC 21/1)

Report by the Secretary of State on the subject circulated for the information of the Council. Scheduled as item 4 for information on the agenda of the 45th Council Meeting, September 15.

SECURITY OF INFORMATION ON INTELLIGENCE SOURCES AND METHODS
(Memos for NSC from Executive Secretary, same subject, dated August 11 and 31, 1949)

Proposed National Security Council Intelligence Directive on above subject submitted by the Director of Central Intelligence pursuant to par. 7 of NSC 50 (NSC Action No. 237d). Action requested by reference memo dated August 31. Approved by NSRB, Sept. 6. Awaiting action by other members, the Secretary of the Treasury, and the Attorney General.

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UNDER CONSIDERATION BY NSC (Cont'd)

AVOIDANCE OF PUBLICITY CONCERNING THE INTELLIGENCE AGENCIES OF THE U. S. GOVERNMENT

(Memos for NSC from Executive Secretary, same subject, dated August 18 and 31, 1949)

Proposed National Security Council Intelligence Directive on above subject submitted by the Director of Central Intelligence pursuant to par. 7 of NSC 50 (NSC Action No. 237d). Action requested by reference memo dated August 31. Approved by NSRB, Sept. 6. Awaiting action by other Council members, the Secretary of the Treasury, and the Attorney General.

GENERAL PRINCIPLES GOVERNING THE CONDUCT OF OVERT PSYCHOLOGICAL WARFARE IN THE INITIAL STAGES OF WAR OR EMERGENCY

(NSC 43/1; Memo for NSC from Executive Secretary, same subject, dated September 7, 1949)

Report by the Secretary of State, prepared by the organization established within the Department of State pursuant to par. 1 of NSC 43, and concurred in by the policy consultants designated pursuant to par. 2b of NSC 43, submitted for consideration by the Council. Concurred in by Treasury, August 4; by NSRB, August 15. Revisions proposed by the Secretary of Defense were submitted to the other Council members and the Secretary of the Treasury on September 7 for consideration. Approved by Treasury, Sept. 8. Awaiting action by other Council members.

MEASURES REQUIRED TO ACHIEVE U. S. OBJECTIVES WITH RESPECT TO THE USSR

(Ref. NSC 20/4; NSC 35; Memos for NSC from Executive Secretary, same subject, dated May 25 and June 21, 1949; Memo for Consultants from Executive Secretary, same subject, dated March 30, 1949)

On the basis of the statement of U. S. risks and objectives with respect to the USSR (NSC 20/4) as adopted by the Council and approved by the President, the Staff drafted specific measures required to achieve those objectives, pursuant to NSC Action No. 88-b. In this connection, the Staff considered the views of the JCS on military commitments, which were circulated as NSC 35 for Council information and Staff use. Staff draft report presented to Consultants January 11. Referred back to Staff for revisions in the light of the discussion at the Consultants' meeting on January 17. Staff request that JCS views on "military readiness" be obtained for use in completing final draft of report was transmitted to the Secretary of Defense, January 19. JCS views incorporated by the NSC Staff in a draft report submitted to the Consultants by memo dated March 30.

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UNDER CONSIDERATION BY NSC (Cont'd)

MEASURES REQUIRED TO ACHIEVE U. S. OBJECTIVES WITH RESPECT TO THE USSR (Cont'd)

Concurred in by Navy and NSRB, April 1; by Air Force, April 5; by Army, April 12. State recommendations regarding this project submitted by memo dated May 25 to Council. Defense proposal with respect to State recommendations submitted to the Council for consideration by memo dated June 21. To be scheduled for consideration at a forthcoming Council meeting.

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3. PROJECTS UNDER CONSIDERATION BY THE NSC CONSULTANTS

PLANNING FOR LIMITED JAPANESE ARMED FORCES

(NSC 44 and memo for NSC from Executive Secretary, subject: "Limited Military Armament for Japan", dated March 11, 1949; Memo for Consultants from Executive Secretary, above subject, dated April 27, 1949)

Study by the Department of the Army, "Limited Military Armament for Japan", and comments thereon by General MacArthur and the JCS, referred by the Secretary of Defense for examination by the NSC Staff with a view to preparing possible amendments to NSC 13/3 for Council consideration. Draft report submitted to the Consultants, April 27. Concurred in by Defense and Navy, May 3; by Army, May 5; by NSRB, May 7; by Air, May 9; Awaiting action by State.

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4. PROJECTS IN PREPARATION BY NSC STAFFU. S. POLICY TOWARD ASIA

(NSC 48; Memos for NSC from Executive Secretary, "Appraisal of U. S. National Interests in South Asia", dated June 2 and 17, 1949; NSC 49; NSC 51; NSC 55; NSC 37/6; NSC 37/7; Memo for NSC from Executive Secretary, same subject, dated September 9.)

A request by the Secretary of Defense (NSC 48) for a study of the current situation in Asia was circulated on June 10 for the information of the Council and referred to the NSC Staff for the preparation of a report for Council consideration. The following reports have been referred to the NSC Staff for consideration in connection with the preparation of the report requested by NSC 48:

- a. SANACC 360/14, "Appraisal of U. S. Interests in South Asia" (memo of June 2), together with amendments proposed by the Secretary of Defense (memo of June 17).
- b. "Implications of a Possible Full-Scale Invasion from North Korea Subsequent to Withdrawal of U. S. Troops from Korea". Staff study prepared in the Department of the Army, forwarded by the Secretary of the Army on June 30, together with JCS comments thereon.
- c. NSC 49, "Current Strategic Evaluation of U. S. Security Needs in Japan". Report by the JCS furnished by the Secretary of Defense pursuant to questions raised by the Acting Secretary of State in connection with the State Department study of the present adequacy of NSC 13/3.
- d. NSC 51, "U. S. Policy Toward Southeast Asia". Report by the Secretary of State.
- e. NSC 55, "Implications of a Possible Chinese Communist Attack on Foreign Colonies in South China". Report by the JCS, forwarded by the Secretary of Defense.
- f. NSC 37/6, "Current Position of the U. S. with Respect to Formosa", and NSC 37/7, "The Position of the U. S. with respect to Formosa". Report by the Secretary of State (NSC 37/6) and the views of the JCS (NSC 37/7) which were obtained by the Secretary of Defense pursuant to recommendation by the Secretary of State in NSC 37/6.

Staff has prepared and is considering drafts dealing with the various aspects of the problem. Pursuant to the request of the Secretary of Defense by memo of September 9, the Staff has been directed to treat this project as a matter of priority. Awaiting Staff report.

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IN PREPARATION BY NSC STAFF (Cont'd)

FUTURE COURSE OF U. S. ACTION WITH RESPECT TO AUSTRIA
(NSC 38/2; NSC 38/1)

Report by the Secretary of Defense (NSC 38/1) circulated June 16 to the Council for information and referred to the Department of State in accord with the recommendations of the Secretary of Defense that the Department of State present, as a matter of urgency, its views on the issues involved in a future course of U. S. action with respect to Austria. Report by the Secretary of State in reply (NSC 38/2) was considered by the NSC at its 43rd meeting. The Council referred both reports (NSC 38/1 and 38/2) to the NSC Staff for use in the preparation of a study of the nature and timing of possible courses of action available to the U. S. with respect to Austria. A State draft is being revised on the basis of Staff discussion. Awaiting Staff study.

COORDINATION OF CURRENT ECONOMIC WARFARE OPERATIONS
(NSC 53)

Report by the Under Secretary of State circulated at his request to the Council Members and referred to the NSC Staff for consideration prior to consideration by the Council. The Secretary of Commerce and the Economic Cooperation Administrator will participate in the Council's consideration of this matter and upon request, together with the Secretary of the Treasury, have designated representatives who are assisting in the preliminary staff work. At a meeting of the Staff, the State Department member was requested to furnish further information. Awaiting Staff report.

U. S. POLICY CONCERNING MILITARY COLLABORATION UNDER THE INTER-AMERICAN TREATY OF RECIPROCAL ASSISTANCE
(NSC 56)

Report by the Secretary of Defense, including a draft NSC report on the subject and an interim directive to the Chairman of the U. S. Delegation, Inter-American Defense Board, circulated to the Council for information and referred to the NSC Staff for use in the preparation of a report for Council consideration. Initial draft being prepared by State. Awaiting Staff report.

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5. OTHER CURRENT PROJECTS

U. S. POLICY TOWARD GERMANY (NSC Action No. 176)

The NSC Sub-committee on Germany, established by NSC Action No. 176, met initially on January 28, 1949, pursuant to the reference action, approved a procedure for its activities and designated representatives as a Steering Group. It was agreed that the Department of State would prepare for consideration by the Steering Group the first draft of a restatement of our policy toward Germany, and that the Steering Group should undertake concurrently the preparation of position papers on the following problems, the first four of which should have priority over the remainder:

1. Occupation Statute for Western Germany
2. Trizonal Fusion Agreement
3. German Constitution
4. Ruhr Control Plan
5. Prohibited and Restricted Industries
6. Reparations
7. Western Germany's Long Range Economic Program
(GARIOA and ECA)
8. Western Berlin Currency Situation

The Steering Group held 15 meetings to March 30, 1949 at which the above subjects were discussed. These discussions were reflected in position papers on Germany presented to the President by the Secretary of State on March 31, 1949 preparatory to the meeting of the Foreign Ministers of the United Kingdom, France and the United States held in Washington. Subsequent to this meeting, the position papers, noted above, prepared by the Department of State, and the Agreements reached by the three Foreign Ministers on April 8, 1949, were circulated to the NSC Members by memoranda from the Executive Secretary, subject "The Position of the U. S. with Respect to Germany", dated April 28 and 29, 1949, respectively. These were noted by the Council at its 39th Meeting on May 5 (NSC Action No. 212). Preparatory to the Sixth Meeting of the Council of Foreign Ministers in Paris, May 23 to June 20, 1949, the NSC discussed the position of the U. S. with respect to Germany in the light of the paper by the Secretary of State circulated to Council Members by a memo from the Executive Secretary, dated May 16, 1949 (NSC Action No. 215).

Awaiting first draft from the Department of State of a report on U. S. policy toward Germany.

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OTHER CURRENT PROJECTS (Cont'd)

GOVERNMENTAL PROGRAMS IN NATIONAL SECURITY AND INTERNATIONAL AFFAIRS FOR THE FISCAL YEAR 1951
(NSC 52, NSC 52/1)

Request by the President for the advice of the NSC on the subject was circulated as NSC 52 to NSC members on July 5. A draft response for Council consideration prior to September 1, 1949 is being prepared by a special staff committee composed of designated representatives of the Secretaries of State, the Treasury, and Defense, the Chairman, NSRB and the Economic Cooperation Administrator, in appropriate consultation with the Director, Bureau of the Budget and the Chairman, Council of Economic Advisers. A summary tabulation of planning limits for budget programs for Fiscal Year 1951 and extracts of correspondence by the Director of the Bureau of the Budget relating thereto, were circulated to the Council for information (NSC 52/1) and referred to the special staff committee. Draft response to the President now in preparation reflecting discussion at meeting of special staff committee on September 8.

THE CENTRAL INTELLIGENCE AGENCY AND NATIONAL ORGANIZATION FOR INTELLIGENCE
(NSC Actions Nos. 231 and 237; NSC 50)

NSC Action No. 231, as amended by NSC Action No. 237d., calls for submission by the Director of Central Intelligence of the following reports, in addition to those already submitted:

- a. Within a period of 6 months, a progress report on particular intelligence questions requiring coordination or attention (paragraph 4a of NSC 50).
- b. In 90 days, a progress report on the organization of the CIA (paragraph 6 of NSC 50).

Awaiting above reports by the Director of Central Intelligence.
(See also Section 2).

STUDY OF CHENNAULT PLAN BY JOINT CHIEFS OF STAFF
(Memo for the Secretary of Defense from the Executive Secretary, same subject, dated August 25, 1949)

In accordance with the reference memo on the subject by the Under Secretary of State, the views of the appropriate agencies of the Department of Defense along the lines set forth in the Under Secretary's memo were requested for the National Security Council. Awaiting report by the Secretary of Defense.

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6. DEFERRED PROJECTS

NATIONAL SECURITY OBJECTIVES OF THE UNITED STATES

Study initiated by NSC Staff December 2, 1947 as a long-term project. First draft issued February 25, 1948. Further consideration subsequently deferred until after NSC action on the NSC 20 and 35 Series. Awaiting completion of a study on this subject being prepared by the Department of State as a long-term project.

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